



STAFF REPORT CITY OF TUALATIN

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Nicole Morris, Deputy City Recorder

DATE: 05/09/2016

SUBJECT: Consideration of Approval of the Minutes for the Special Council Work Session of April 12, 2016 and the Regular Meeting of April 25, 2016

ISSUE BEFORE THE COUNCIL:

The issue before the Council is to approve the minutes for the Special Council Work Session of April 12, 2016 and the Regular Meeting of April 25, 2016.

RECOMMENDATION:

Staff respectfully recommends that the Council adopt the attached minutes.

Attachments: City Council Special Work Session Minutes of April 12, 2016
City Council Regular Meeting Minutes of April 25, 2016



OFFICIAL MINUTES OF THE SPECIAL WORK SESSION OF THE TUALATIN CITY COUNCIL FOR APRIL 12, 2016

Present: Mayor Lou Ogden; Council President Monique Beikman; Councilor Joelle Davis;
Councilor Frank Bubenik; Councilor Ed Truax

Absent: Councilor Wade Brooksby; Councilor Nancy Grimes

Staff Sherilyn Lombos, Sean Brady, Paul Hennon, Don Hudson, Aquilla Hurd-Ravich,
Present: Nicole Morris, Tom Steiger, Tanya Williams, Alice Cannon, Jerianne Thompson,
Kelsey Lewis, Rich Mueller, Zoe Monahan, Jeff Fuchs, Janet Newport, Matthew
Warner, Jerry Postema

A. CALL TO ORDER

Mayor Ogden called the meeting to order at 5:34 p.m.

B. AGENDA

1. Fiscal Year 2016/17 Budget DiscussionFiscal Year 2016/17 Budget Discussion

City Manager Sherilyn Lombos welcomed the Council. Finance Director Don Hudson presented an update on the Fiscal Year 2016/17 Budget. This year's budget theme was announced as America's Best Community. Director Hudson stated the budget premise was to look at what is needed to provide and maintain services while identifying savings wherever possible. Budget instructions for staff were reviewed with the only changes being in materials and services. Increases up to 3%, including contractual increases out of the City's control, could be programmed without additional documentation. Director Hudson briefed the Council on the stability of revenues and expenditures noting a 5% increase in assessed value. Highlights for the 2016/17 budget included increases and decreases for routine materials and services, emergency preparedness, new Tualatin River Greenway Trail maintenance, enhancements to the Concerts on the Commons, enhancements to reading and technology programs in the Library as part of the new levy, and capital improvement projects. Director Hudson reviewed the overall fiscal health model, with it showing a positive alignment for the next budget year.

Public Employee Retirement System (PERS) contribution rates were covered. Director Hudson stated there is an expected increase of 3.22%. The City will need

to utilize its PERS reserve fund to cover the increase. An additional 4% increase is expected to begin FY 19/20 which will create a gap in the budget of 1.4%. Director Hudson feels the gap will easily be managed.

Director Hudson presented proposed utility rate increases of 4.25% for water, 3% for sewer, and seven cents for the road maintenance fee. The total increase for a average residential home will be \$3.05.

Councilor Truax requested initial lead testing be done by the City instead of participating in Portland's testing program. Public Works Director Jerry Postema stated the cost of a lead testing program has been worked into the budget.

Director Hudson stated a full budget committee is in place for this year and the first meeting will be held on May 9. The second meeting will be held May 31 with the budget adoption scheduled for June 21.

2. Tualatin Facilities Study Phase II Update

Consultant Sara Singer, J Robertson and Company, and Lisa Patterson, SRG, presented an update on the Tualatin Facilities Study Phase II. City Manager Sherilyn Lombos stated staff is looking for direction on narrowing options to have time to place a potential bond on the November ballot. Consultant Singer gave a brief overview on background for the project to date. The findings for the traffic analysis were presented noting a very small impact to overall traffic volumes and congestion.

Consultant Patterson spoke to City Hall alternatives. She noted space assumptions were based off the data collected in the 2015 Facilities Study. Construction assumptions were based off standard construction techniques, quality materials, and building to LEED Standards. Overall cost assumptions were escalated to 2018 with total project costs including permits, architect/engineer fees, and furniture, fixtures, and equipment. Consultant Patterson covered square footage, parking, cost per square foot, and total project cost for the Police Department Site and the Commons Site alternative one and two. The Library space analysis addressed five expansion priorities including better space for youth, multipurpose community space, improved access to technology, additional staff space, and facilities improvements. Overall expansion cost came in at \$3.7 million for the Library expansion.

Finance Director Hudson presented bond history and options. He gave a recap on Tualatin's bond history including current bonds. A current comparison of levy rates with neighboring cities was reviewed. Bond assumptions included new city hall and library expansion costs, a 20 year bond, current interest rate plus 1%, assessed value grown of 3%, and level levy rate of \$0.2497/\$1,000 of assessed value. Bond alternatives for the two commons alternatives and the police department site were presented and varied from \$0.54 to \$0.43 depending on the option.

Consultant Patterson shared a potential construction schedule for each option assuming a bond measure in November.

Consultant Singer stated next steps include narrowing City Hall alternatives, developing a public involvement plan, and a Council decision to file a ballot title by August 8.

Councilor Truax asked if staff had an idea of potential income that could be generated from City Hall having retail space. Consultant Singer stated some data had been collected but the numbers have not been completed on revenue projections. Director Hudson stated lease revenue could be used to pay back the bonds and lower the overall bond rate.

Councilor Davis would like to see any potential rental space occupied by County services. Consultant Singer stated the three story alternative provides additional office space on the third floor for those types of potential uses.

Councilor Bubenik asked about land acquisition costs for the Commons Site. Consultant Singer stated the total cost would be \$2.6 million.

Councilor Truax asked if there were willing sellers at the Commons Site. Consultant Singers stated the property owners are interested in selling.

Councilor Bubenik asked about the lease buy-outs at the Commons Site. Consultant Singer stated leases would need to be negotiated with this option.

Council President Beikman asked why only the Commons Site option was presented with retail space. Consultant Singer stated retail space maximizes the site and provides complimentary uses for the surrounding area.

Mayor Ogden asked how cost per square foot was calculated. Consultant Patterson stated numbers were based of direct construction costs related to just the brick and mortar of the locations.

Mayor Ogden asked which option is the most efficient. Consultant Patterson stated the three story Common's Site is the most efficient.

Mayor Ogden asked if the new bonds are rolled into the old bonds. Finance Director Hudson stated the overall bond rate would stay consistent through the life cycle of all the bonds.

Councilor Davis emphasized she wants public engagement to include the story of the longevity of the building that are currently being used and how citizens will be better served in a new location.

Council President Davis would like to see surveying done all three alternatives.

Councilor Davis would like more information on how public involvement on this topic has been done at other cities.

Mayor Ogden asked about the estimated cost of public involvement. City Manager Lombos stated \$30,000-40,000.

Council President Beikman asked if there was money available for public

involvement. Finance Director stated there is one time monies available.

Council gave direction to begin preparing a public involvement plan.

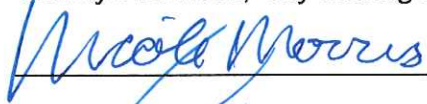
C. COMMUNICATIONS FROM COUNCILORS

None.


D. ADJOURNMENT

Mayor Ogden adjourned the meeting at 7:28 p.m.

Sherilyn Lombos, City Manager



/ Nicole Morris, Recording Secretary



/ Lou Ogden, Mayor